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# STATE-LOCAL ASSISTANCE

**B**oth the United States and California economies slowed in 2001. Due to its dependence on the personal income tax with its highly volatile capital gains component, the State faces significant fiscal challenges. However, local revenue sources, such as sales and property taxes are less volatile. Consequently, cities and counties have not experienced such drastic swings in revenues as has the State.

Due to the State's current fiscal environment, reductions were required to local government funding in a number of areas. However, the Governor's Budget continues the Administration's efforts to support high-priority programs of mutual concern to both State and local governments, such as public safety, health and human services, housing, transportation, and resources, as discussed below. The funding provided for these programs totals nearly \$6.7 billion.

In addition, the Budget includes full reimbursement to local governments for the vehicle license fee offset program, totaling approximately \$4.1 billion for 2004-05. Important to note, however, is that in 2003-04, local governments' vehicle license fee revenues were reduced by \$1.3 billion due to lag time necessary to implement higher fees when the offset was eliminated on June 20, 2003. Chapter 231, Statutes

of 2003, provided that this "gap" in funding would be repaid to local governments in 2006-07. Due to the State's current fiscal environment, this Budget proposes a continuation of the 2003-04 gap level of reduction (\$1.3 billion) to local governments in the form of an increased Educational Revenue Augmentation Fund (ERAF) shift beginning in 2004-05. Local governments would shift approximately \$1.3 billion of property tax revenues to the ERAF in order to decrease the State's General Fund Proposition 98 obligation.

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## Public Safety

The Governor's Budget contains approximately \$450 million for public safety including the following major programs:

- \$200 million for the Citizens' Option for Public Safety (COPS) and Juvenile Justice Crime Prevention Programs. COPS supports front-line local law enforcement, sheriffs' departments for jail construction and operations, and district attorneys for prosecution. Through the program, local governments receive a minimum grant of \$100,000 for front-line law enforcement services; all other funds are allocated on a per-capita basis. The



juvenile crime prevention programs use various strategies to provide a swift and graduated response for at-risk youth and juvenile offenders, including intensive case management, early intervention, and substance abuse treatment.

- \$147.9 million for 911 Emergency Services. These funds reimburse local dispatch centers for 911 equipment purchases and costs of receiving 911 emergency service calls from citizens.
- \$30.2 million to provide aid to local agencies for repair and restoration of public real property in stricken areas in time of disaster and to provide assurance that all public facilities will be restored in order to provide necessary services to the citizens of the affected areas. This program also provides individual assistance to people who have been affected by disasters.
- \$25.5 million for local peace officer training assistance expenditures, including instructional costs, travel and per diem reimbursement, and necessary overtime paid to enable line officers to receive in-service training in areas of critical need.
- \$9.5 million for War on Methamphetamine Program. These funds are provided to multi-jurisdictional law enforcement groups to combat methamphetamine manufacturing and production.
- \$8.2 million for the Vertical Prosecution Block Grant. These funds are allocated to county district attorney's offices, for activities including vertical prosecution of cases involving unlawful sexual intercourse, investigation efforts, victim advocate services, referral services, and collaborative efforts with local law en-

forcement agencies. These funds are intended to allow local agencies to create specialized units of prosecutors, investigators, and/or victim advocates who could provide additional emphasis and expertise for the victims of crime.

- \$5 million for payments to counties for the costs of homicide trials. This program provides reimbursement to small and rural counties to offset specified costs of homicide trials and hearings.

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## Health and Human Services Programs

The State provides substantial assistance to local governments for various health and human services programs. Despite the significant fiscal challenges facing the State, the Governor's Budget continues to make local health and human services programs a priority. This assistance totals approximately \$5 billion, and nearly \$4 billion of this amount is provided to counties to support health, mental health, and social services programs through State-Local Realignment. The remaining \$1 billion is provided to counties for specific health care, social services, public health activities, Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS) programs, and county oversight functions, as follows:

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### Health Care

- \$162.7 million for Alcohol and Drug Programs. This funding supports drug court programs and discretionary regular and perinatal alcohol and drug programs.
- \$82.5 million for California Children's Services. This program provides treatment to children with certain physical

limitations and chronic health conditions or diseases.

- \$76.9 million for Mental Health Programs including Integrated Services for Homeless Adults, services for brain damaged adults, the Early Mental Health Initiative, and other discretionary mental health programs.
- \$49.3 million for the Genetically Handicapped Persons Program. This program provides health coverage for Californians 21 years of age and older who have specific genetic diseases including cystic fibrosis, hemophilia, sickle cell disease, and certain neurological and metabolic diseases.
- \$42.4 million for the California Healthcare for Indigents Program. The California Healthcare for Indigents Program allocates Proposition 99 (Tobacco Tax) funds to participating counties. These funds reimburse providers for uncompensated health care for individuals who cannot afford care and for whom no other source of payment is available.
- \$22.3 million for Uncompensated Hospital Emergency Services. These funds reimburse physicians for uncompensated emergency services provided to the indigent population.

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### Social Services

- \$103.9 million for Adult Protective Services. These funds are for counties to investigate and provide services to adults age 65 or older, and dependent adults age 18-64, who are reported to be endangered by abuse, neglect, or exploitation.

- \$71.1 million for Child Welfare Services Base Funding Adjustment. These funds maintain the base Child Welfare Services program at the level proposed in the 2000 Budget Act to allow counties to maintain a specified level of social workers despite declining caseloads.
- \$67.1 million for Juvenile Probation. These funds are provided to county probation departments to provide services to at-risk youth.
- \$57.2 million for Child Welfare Services Augmentation. This augmentation provides for additional county social workers in recognition of the funding and staffing need identified in the workload study completed pursuant to the requirements of Chapter 785, Statutes of 1998 (SB 2080).

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### Public Health

- \$72.2 million for Bioterrorism Funding. These monies are provided to first responder agencies at the local level for anti-bioterrorism activities.
- \$15.8 million for Tobacco Control. These funds are allocated to local lead agencies, which are required to develop and implement a comprehensive tobacco control program that focuses on community norm change strategies.
- \$11.9 million for the Adolescent Family Life Program. Case management is provided to pregnant and parenting teens to improve birth outcomes, teach parenting skills, and ensure completion of high school by the teen parent.



- \$11 million for Statewide Childhood Lead Poisoning Prevention Program. All local jurisdictions are eligible to apply for this funding.
- \$31.7 million for Clinic Grants. The Clinics Program provides local assistance funding to selected non-profit, community-based primary care clinics, clinic associations, and collaboratives of clinics.
- \$7.5 million for Tuberculosis Control. These funds are used to support the highest priority tuberculosis control activities in local health jurisdictions in California that continue to report significant numbers of cases of disease each year.
- \$5.2 million for Hospital Bioterrorism Preparedness funding to increase hospital, community clinic, and Emergency Medical Services capacity to respond to incidents of bioterrorism and develop mutual aid plans to serve areas not currently covered by Emergency Medical Services agencies in the event of acts of bioterrorism.

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## HIV/AIDS

- \$23.8 million for HIV Education and Prevention. On an annual basis, the Office of AIDS provides funds to 61 local health departments to provide direct services such as HIV/AIDS education, prevention case management, referrals, and support services to individuals at high risk for HIV transmission and individuals living with HIV/AIDS.
- \$6.7 million for HIV Care. These funds are provided to 30 local health departments to provide direct services to

individuals living with HIV/AIDS. These services include AIDS case management and early intervention.

- \$8.8 million for HIV Counseling and Testing. These funds are allocated to 61 local health departments to provide direct services such as HIV counseling, testing, and referral services to individuals at high risk for HIV transmission.
- \$7.1 million for HIV/AIDS Surveillance. These monies are allocated to 61 local health departments to implement, expand, and monitor the HIV and AIDS case reporting systems.

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## County Oversight

- \$110.5 million for the Statewide Automated Welfare System. This system automates welfare eligibility determinations, benefit calculations, and case management functions to support counties in the administration of several programs including CalWORKs, Food Stamps, Medi-Cal, and Foster Care, among others.
- \$14 million for the Electronic Benefit Transfer System. This system provides automated delivery, redemption, and reconciliation of food stamp benefits. The system supports county administration of this program.
- \$8.3 million for the Statewide Fingerprint Imaging System. This system provides for fingerprint imaging of Food Stamp and CalWORKs recipients to detect and deter multiple aid-case fraud. The system supports county administration of these programs.

## Transportation

In addition to significant federal fund sources, the Governor's Budget contains approximately \$535 million in State funds for transportation purposes that directly benefit local governments, including the following major programs:

- \$177.6 million for State Highway Account funds budgeted as Capital Outlay. These moneys are for State Transportation Improvement Plan projects selected by local agencies through their Regional Transportation Improvement Plans.
- \$161.4 million for State Highway Account budgeted as Local Assistance. These funds are for a variety of programs including State Transportation Improvement Plan projects delivered and selected by local agencies through their Regional Transportation Improvement Plans.
- \$101.4 million for the State transit assistance program, which provides operating funds to local transit agencies and can be used for road purposes in small counties.
- \$75 million for the Proposition 116 Bond Program for project expenditures related to projects designated in the bond act.
- \$7.2 million for bicycle transportation grants.
- \$7 million for planning grants.
- \$5.1 million for airport grants and loans.

## Resources and Environmental Protection

The Governor's Budget provides assistance totaling approximately \$204 million

in 2004-05 including the following major programs:

- \$16.5 million for Public Small Craft Harbor Planning and Construction Loans. Boat launching facility loans to develop marinas and expand/rehabilitate existing marina facilities.
- \$87.5 million for loans to local agencies from the State Water Pollution Control Revolving Fund.
- \$16.1 million for the Lining of the All-American Canal. This project will line portions of the All-American Canal and the Coachella Canal, which branches off from the All-American, to prevent water loss from seepage. This project is part of a comprehensive plan to reduce California's annual use of Colorado River water from 5.3 million acre-feet to 4.4 million acre-feet.
- \$14.1 million for local assistance to County Agricultural Commissioners for pesticide enforcement and the restricted materials use permit program.
- \$10.1 million for assistance to local air pollution control districts (35 statewide) for enforcement and compliance activities (i.e., of stationary sources) to improve air quality.
- \$10 million for Launching Facilities Grants. These grants are for the construction of launching ramps, shore side or floating restrooms, boarding floats, shore protection, car/trailer parking, utilities, landscaping, and irrigation.
- \$10 million for entitlement grants for establishing and maintaining used oil and filter collection and information programs.



- \$8.7 million for cleanup of clandestine drug laboratories. Funding is for State field staff who relieve local governments of the responsibility for cleaning up hazardous and toxic sites.
- \$8.1 million for Boating Safety and Enforcement for boating safety and enforcement programs. Each county is entitled to receive State financial aid for boating safety and enforcement programs on waters under its jurisdiction. A boating safety and enforcement program includes search and rescue operations, recovery of drowned bodies, enforcement of State and local measures for regulation of boating activities, inspection of vessels, and supervision of organized water events.
- \$6 million for grants to local entities for local solid waste enforcement.
- \$5 million for grants for clean up of solid waste sites where the responsible party is unknown or unable to pay for timely remediation.
- \$25 million for Jobs-Housing/Workforce. This program provides incentives for local agencies to permit housing projects.
- \$24 million for Building Equity and Growth In Neighborhoods. Bond funds are provided to specified metropolitan areas to reduce barriers to housing development.
- \$22.4 million for the CalHome program. This program provides bond funds for single-family homes for low-income residents.
- \$15 million for Farmworker Housing. This program provides bond funds for housing projects (usually sponsored by private non-profit organizations) for farm workers.
- \$13 million for the California Infrastructure and Economic Development Bank (CIEDB). The CIEDB provides loans for local government infrastructure projects.
- \$5.3 million for the Office of Migrant Services. The program pays for the operating costs of local Migrant Farmworker Centers. The centers are constructed on local property, but with State funds.

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## Housing and Community Development

The Governor's Budget contains approximately \$235 million for programs to assist in the creation, rehabilitation, and purchase of affordable housing, including the following major programs:

- \$82 million for the HOME Investment Partnerships Program. This program provides Federal funds for a variety of economic benefit projects and programs related to housing issues.
- \$47 million for the Community Development Block Grant

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## Public Libraries

The Governor's Budget provides assistance to libraries of approximately \$160 million in 2004-05 including the following major programs:

- Up to \$128.4 million for the California Cultural and Historical Endowment to encourage libraries and non-profits to develop and collect items of historical and cultural significance for the state.
- \$15.8 million for the Public Library Foundation. The Public Library Foundation allocates State funds to local public libraries for the provision of basic library services, such as maintaining service hours and purchasing books.
- \$12.1 million for the Direct Loan and Interlibrary Loan program. The Direct Loan and Interlibrary Loan program provides reimbursement for handling costs when a public library lends materials to another library or to a resident of another library's jurisdiction. The program supports equal access to library materials for all Californians.
- \$5.3 million for the California English Acquisition and Literacy Program. The California Literacy Campaign provides one-on-one tutoring of illiterate adults and the recruitment and training of tutors.

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## Other Funding

- \$60 million for grants to county assessors for property tax administration.
- \$55.2 million for pest detection and eradication to protect the State's people, commerce, and environment. \$38.2 million is local assistance for county pest detection and eradication efforts; \$17 million is for State detection and eradication efforts (which would otherwise be performed by local governments or not performed at all) and administration of the State and local program.